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Folio:

THE MAGAZINE FOR MAGAZINE MANAGEMENT

LIBEL

Libel: Staying out of trouble

Magazine design: The evolution

Managing freelancers

The computer magazine shakeout

Face to Face Special Report

NOVEMBER 1983 VOL. 12 NO. 11

Folio:

THE MAGAZINE FOR MAGAZINE MANAGEMENT

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Ulshafer says the system, which they timeshare from Service Software Inc., Cherry Hill, N.J., costs only slightly more than using an outside reader service bureau. However, Walker-Davis, which bought the hardware and created the software, says the cost is in the "high six figures." And, a number of people are required to operate the system, he added.

Magazines with highest readers-per-copy (RPC) measured by Simmons Market Research Bureau

Magazine	RPC 1983	RPC 1982	Change
1. *People*	8.40	8.26	.14
2. *Jet*	8.11	9.04	-.93
3. *Popular Hot Rodding*	8.08	9.84	-.76
4. *Life*	6.89	6.98	-.09
5. *Soap Opera Digest*	5.90	5.79	.11
6. *Business Week*	5.72	5.38	.34
7. *House Beautiful*	5.71	5.25	.46
8. *Sports Afield*	5.69	6.56	-.87
9. *Gentlemen's Quarterly*	5.37	4.39	.98
10. *Newsweek*	5.32	5.47	.15

Source: Simmons Market Research Bureau *1983 Study of Media and Markets* (all magazines measured by through-the-book method)

SMRB readers-per-copy figures consistent; research execs pleased

New York City—Research executives from consumer magazines are pleased that Simmons Market Research Bureau (SMRB) has come up with consistent figures on readers-per-copy for magazines in its 1983 report.

For the 45 titles, plus the Ziff-Davis Network, measured by the through-the-book method for the first time in 1982, only one third showed variations of plus or minus 0.5 readers-per-copy or more. The average readers-per-copy for the group moved only slightly—from 3.65 to 3.57.

For years, SMRB was changing its methodology. It went to mixed methodology—measuring by recent reading and through-the-book; in 1981, it adjusted recent reading figures. In 1982, SMRB did away with recent reading and measured 120 magazines by the through-the-book method. There was a big question in the research community over whether this would work.

The 1983 study on readers-per-copy is the first study in many years that uses the same methodology as was used the year before.

"If it's stability people want, they have it," says Eckart Guthe, corporate marketing director for Conde Nast Publications, Inc., and a member of the Magazine Publishers Association research committee. "Everyone's very happy to get some consistency back. There were some slight ups and downs, income of readers went up nicely, reflecting inflation."

Mark Goldschmidt, corporate marketing director for the Hearst Corporation, agrees that "there is less controversy than ever over SMRB findings." He said the figures correspond with Hearst records on circulation growth.

Other research executives apparently share this opinion: When SMRB gave its 1983 report at a recent MPA research committee meeting, there were no complaints and no questions, according to Goldschmidt.

Although Goldschmidt is "reasonably happy with the results," he

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adds that there remains the overall problem in the research community about the validity of the through-the-book method used by SMRB and the recent reading method used by Mediamark Research, Inc. (MRI). "Some people believe strongly in one or the other," he says; "we subscribe to everything."

The old philosophical questions as to what constitutes a reader are still around, Guthe adds. "But people are getting tired of the problem. While the ultimate questions of how to measure readership persist, people need data, and they need consistent methodology. MRI has been very consistent; now it looks as if we have consistency with SMRB too."

DEA using bogus ads to trap drug dealers

New York City—The Federal Drug Enforcement Administration (DEA) is placing bogus classified ads in at least four magazines as part of a sting operation designed to draw out potential drug manufacturers for arrest, says Bob LaBrasca, senior editor, *High Times*.

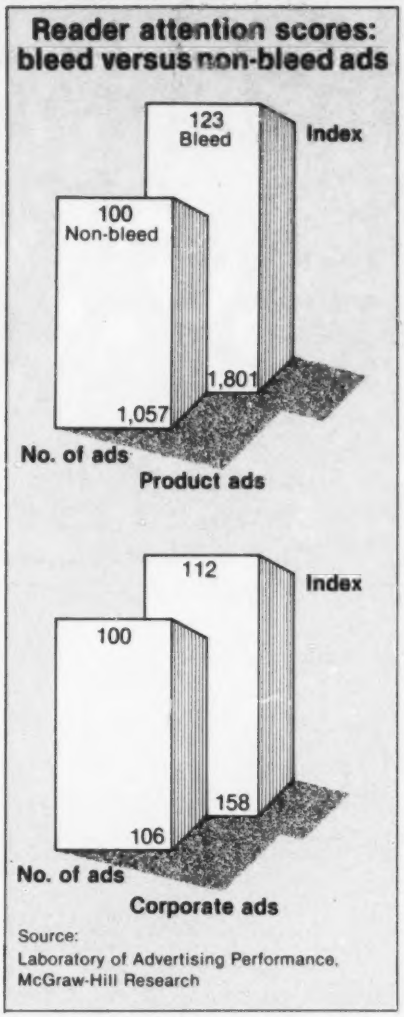
According to LaBrasca, the sting works like this: "Federal agents, operating as representatives of dummy chemical companies, sell materials and instructions for the manufacture of controlled substances." When a reader responds to the ad, he is arrested.

LaBrasca contends that ads of this kind have been placed in *High Times* for over four years, as well as in *Rolling Stone*, *Popular Science*, and *Biker Lifestyle*.

"The ads are placed anonymously," says LaBrasca. "Using a post office box as a mailing address, someone places an order over the phone for a classified ad, sometimes paying a year in advance, which is always attractive to the advertising department.

High Times has had to change its advertising policy to eliminate ads from companies selling chemicals, chemical precursors or anything that might serve as part of a front operation. "But it has been something we've had a hard time avoiding," LaBrasca adds, "because the DEA has adopted different disguises—Universal Solvents, APEX Publications, Georgia Labs, and Raven Scientific—to get into our classified section."

David Canady, deputy chief of the dangerous drug section, DEA, acknowledges use of the tactic and says, "It's a viable enforcement technique." He refused further comment because "the publicity might damage investigative techniques."



Product ads benefit more from bleed format than do corporate ads (+ 23 percent vs. + 12 percent), according to a recent study by McGraw-Hill.

Bleed ads attract 21% more attention: McGraw-Hill study

New York City—Advertisements that use bleed attract greater attention to and build more preference for products and companies than do those that don't use bleed, according to a Laboratory of Advertising Performance (LAP) report from the McGraw-Hill Readership Data Base.

"Of the 3,406 ads that compose the McGraw-Hill database—2,046 bleed and 1,360 non-bleed ads—those that use bleed rated 21 percent higher than non-bleed in stopping power, or the ability to grab a reader's attention," reports Matt Lewicki, manager of LAP. And 73 percent of the top five ads that most attracted reader attention were bleed.

The utilization of bleed also plays a significant role in building preference for a company or product, says the LAP report. The "build preference" score for corporate ads that used bleed was 25 percent higher than for non-bleed corporate ads. For product ads, the "build preference" score was 22 percent higher for bleed ads.

People

Howard Plissner to vice president, director of advertising, *Penthouse*, remaining as vice president, director of advertising, *Omni*.

Gordon Levy to director of advertising services, Hunter Publishing Company.

John Kingston Herbert Jr. to director of advertising, Yankee Publishing Incorporated, from director of development and director of the capital campaign, Milton Academy.

Sharon Amanzio to vice president and director of corporate marketing programs, *Penthouse* and *Omni*, from director of advertising, *Penthouse*.

Patty Estlander to account executive, *Washington Dossier*.

John B. Powers to sales manager, *Footwear News*, from sales representative; **R. Jane Singer** to marketing manager, *Footwear News*, from sales representative.

Scott Haberman to advertising director, *On Cable*, from advertising manager/consumer, *Venture*.

Catherine A. Viscardi to advertising manager, *Self*, from *Gentlemen's Quarterly*.

Brendan Kelly to advertising director, *American Heritage*, from associate publisher/advertising, *Museum Magazine*.

John M. Reeve to advertising sales manager, *Textile World* and *Textile Products and Processes*.

Ed Backus to advertising director, *Outdoor Life*, from New York advertising manager, *Popular Science*.

Shelley Funes to Southwestern sales manager, *Video Review* and *Electronic Fun with Computers and Games*, from Western regional manager.

John Abbott to advertising director, *Changing Times*, from marketing director **Peter Van Leight** to New York advertising manager, from corporate and travel manager.

Circulation/Subscription

62% of consumer magazines gain circ in 1st half of 1983

Schaumburg, Ill.—Sixty-two percent of consumer magazines gained circulation in the first half of 1983 over the first half of 1982, according to a FOLIO analysis of an Audit Bureau of Circulations midyear Fas-Fax report. The report gives average paid circulation for 401 consumer magazines for the six months ending June 30. Of those magazines, 250 reported circulation increases.

The two groups showing the largest gains were—not surprisingly—computer and video magazines. *Byte* had a circulation gain of 38.2 percent, moving from a total paid circulation of 263,649 to 364,474. *Popular Computing*'s total paid circulation jumped 110 percent, up from 115,440 in the first six months of 1982, to 242,727 in the first half of 1983. And *Personal Computing* had an even bigger percentage gain: 154.6 percent, from 148,244 to 377,590. *Computers & Electronics* and *80 Micro* grew modestly in circulation.

In the video field, *Video* and *Video Review* gained 67.5 percent and 59.5 percent, respectively, in average paid circulation for the six month period analyzed.

In the shelter magazine category, *Country Living* reported the largest percentage gain (25.5 percent), followed by *New Shelter* (16.3 percent) and *Town & Country* (13.4 percent). Only a few magazines in this category lost circulation in the first half of this year. Among them was *House & Garden*, with a 27 percent drop.

In the competitive field of science magazines, *Discover* pulled ahead with a 12.5 percent average circulation gain. *Science Digest* and *Science* reported small dips in their average circulation.

Average circulation for the three tabloids—*Globe, National Enquirer* and *The Star*—remained about the same, down less than 1 percent each.

Among the women's magazines, *Savvy* and *Working Woman* posted impressive gains of 11.7 percent and 11.3 percent; *Cosmopolitan* was up 6.5 percent, and *Family Circle*, 4.2 percent. *Ms.* and *McCall's* posted small increases of 1.8 percent and 1.2 percent.

Men's entertainment magazines had a difficult first half. *Playboy*'s average paid circulation was down 12.4 percent; *Penthouse* figures dropped 14.1 percent. *Hustler*'s publisher's statement was not submitted in time to be included in the Fas-Fax report.

General business magazines fared well. Average paid circulation for *Inc.* rose 31.6 percent; for *Venture*, 29.4 percent; *Barron's*, 16 percent; *Fortune*, 3 percent; *Forbes*, 1 percent; and *Business Week*, 0.2 percent.

All three newsweeklies reported gains: *Time* (3.6 percent), *Newsweek* (0.7 percent), and *U.S. News & World Report* (1.1 percent).

Ebony led the black magazines with a circulation gain of 23.6 percent for the first six month period, followed by *Jet* (21.3 percent) and *Essence* (7.7 percent).

A few other magazines in varied categories with noteworthy gains include *Shape* (96.3 percent), *Four Wheeler* (41.5 percent), *Crafts* (41.1 percent), *Horseman* (28.7 percent), *Teen Machine* (27.6), and *Writer's Digest* (25.8 percent).

The magazine with the largest average paid circulation for the period was *Reader's Digest* (18,299,091), followed by *TV Guide* (17,275,471), *National Geographic* (10,357,853), *Modern Maturity* (8,822,161), *Better Homes and Gardens* (8,022,794), *Family Circle* (7,303,488), *Woman's Day* (6,949,344), *McCall's* (6,277,293), *Good Housekeeping* (5,420,830), and *Ladies' Home Journal* (5,200,705).

Special blow-in gift insert ups response 50% for *Prevention*

Emmaus, Pa.—A specially designed blow-in card promoting Christmas gift subscriptions, which contains the gift card to be sent to the recipient, has pulled extremely well for Rodale Press' *Prevention*. In fact, according to circulation director Pat Corpora, it has pulled so well for *Prevention* that it will be used this December on Rodale's other magazines: *Spring, Organic Gardening, New Shelter* and *Bicycling*.

"This special insert increased the lift for the December 1982 blow-in gift subscription promotion by 50 percent," Corpora said. In December of 1981, the blow-in card produced 6,000

Top 10 magazines by circulation
Per-issue averages for the six months ending June 30

Publication	First half 1983	First half 1982	Percent change
Reader's Digest	18,299,091	18,171,628	+0.7%
TV Guide	17,275,471	17,516,896	−1.4
National Geographic	10,357,853	10,474,030	−1.1
Modern Maturity	8,822,161	8,116,251	+8.7
Better Homes and Gardens	8,022,794	8,053,480	−0.4
Family Circle	7,303,488	7,010,192	+4.2
Woman's Day	6,949,344	7,007,909	−0.8
McCall's	6,277,293	6,201,777	+1.2
Good Housekeeping	5,420,830	5,352,428	+1.3
Ladies' Home Journal	5,200,705	5,205,413	−0.1

Source: Audit Bureau of Circulations

53% of 'time-value' publications delivered on time

Publication delivery box score: weekly 'time-value' publications January-June 1983

Three-digit zip	Market area monitored	On time	One day late	Later
Composite average*		**53%**	**28%**	**19%**
021	Boston	46	31	23
022	Boston	51	20	29
061	Hartford	56	28	16
100	New York City	55	29	16
142	Buffalo	61	27	12
152	Pittsburgh	46	37	17
191	Philadelphia	54	28	18
200	Washington, D.C.	46	33	21
212	Baltimore	37	37	26
303	Atlanta	50	33	17
331	Miami	52	31	17
336	Tampa	67	33	0
372	Nashville	42	30	28
381	Memphis	57	27	16
432	Columbus	78	13	9
441	Cleveland	42	40	18
452	Cincinnati	57	26	17
462	Indianapolis	22	45	33
482	Detroit	62	28	10
495	Grand Rapids	80	15	5
532	Milwaukee	66	20	14
554	Minneapolis	66	26	8
606	Chicago	69	23	8
641	Kansas City, Mo.	69	24	7
672	Wichita	68	22	10
701	New Orleans	7	36	57
741	Tulsa	48	29	23
752	Dallas	60	27	13
770	Houston	43	35	22
787	Austin	68	22	10
802	Denver	30	39	31
841	Salt Lake City	28	38	34
850	Phoenix	51	24	25
895	Reno	68	23	9
900	Los Angeles	53	26	21
921	San Diego	67	19	14
941	San Francisco	57	23	20
972	Portland	42	27	31
981	Seattle	38	21	41

*Including other U.S. cities and SCFs not listed

Data based on experience of 23 weekly business and consumer publications accounting for 1,500,000 copies in the mail each week and predicated on delivery as newspapers. Most publications monitored maintain multiple additional entries and air freight to post office of entry. Source: Red Tag News Publications Association, Inc.

During the first six months of 1983, 53 percent of weekly "time-value" publications were delivered on time. This is a lower percentage of on-time delivery than was recorded in the previous two six-month periods. For the last six months of 1982, 57 percent of all publications monitored received on-time delivery, whereas for the first six months of 1982, 55 percent of publications had on-time delivery.

Major cities with the best percentage of on-time delivery for the first six months of the year were Columbus (78 percent), Chicago and Kansas City, Missouri, (both with 69 percent) and Wichita, Austin and Reno (each with 68 percent). Cities with the lowest percentage of on-time delivery included New Orleans (7 percent), Indianapolis (22 percent) and Salt Lake City (28 percent).

In a comparison of the on-time delivery record for the first six months of 1983 with that of the first six months of 1982 for individual cities, only a few showed marked declines: Indianapolis (to 22 percent from 64 percent) and New Orleans (to 7 percent from 28 percent). Among those showing the greatest improvement in percentage of on-time delivery were Salt Lake City (to 28 percent from 6 percent), Memphis (to 57 percent from 38 percent) and Reno (to 68 percent from 49 percent).

with a list of good subscriber prospects from outside our market."

Newcomer's theory is that people who read city magazines in one city are good prospects to subscribe to another city magazine when they relocate. Newcomer also believes it can capture, as subscribers, people moving away from a city who want to keep in touch, and readers who travel frequently to a city.

All publishers had to do in the first test, which ran in June and July, was act as a subscription circulation network, and insert a direct-response envelope into their magazines. Newcomer Services printed and supplied the insert, but publishers had to assume the cost of insertion and pay Newcomer a 30 percent commission on all subscriptions received.

"The results of the initial test were not spectacular," Welch noted, "except when you consider that the subscriptions were coming from people who didn't yet live here. We have saturated Phoenix with direct mail campaigns, but this was the first time we had gotten prospects from areas outside our city. Newcomer Services provided us with a list of names we couldn't buy from anyone else."

Ed Self, publisher of *San Diego Magazine*, reports that the three best pullers were *San Diego Magazine*, with 250 subscriptions; *California*, with 240; and *Honolulu*, with 230. *Phoenix* picked up 176 new subscribers.

Results of the second test stage, which ran in September and October city magazines, are not yet available. In the second test, the format was slightly changed. Instead of having publishers insert a direct-response envelope, Newcomer asked publishers to print a four-color full-page ad featuring pictures of all the city magazines in the network, and a toll-free telephone number, which people could use to receive information about a city. Newcomer is testing the response levels to the two methods.

"After the results of the second test are tabulated and compared to the first," says Welch, "Newcomer wants each magazine to pay for production of either the insert or the full-page ad. Then, each publisher will have to decide for himself—based on the amount of out-of-town subscriptions generated versus production costs—whether this concept is profitable. Right now, we don't quite know the idea's potential.

"I can say that generating 176 new subscriptions from people on their way to Phoenix is very significant to my marketing of the magazine," says Welch. "And it is also significant to advertisers who use my magazine to reach prospective customers."

Is number of inmate bad pays exaggerated?

Albuquerque, New Mexico—"Prison inmates are robbing magazine publishers blind," claimed Ron Chavez, an official at the Bernalillo County Detention Center, in a recent *New York Times* article.

"Inmates fill out subscription cards and check the bill-me-later box. By the time a magazine finds out the subscriber has no intention of paying his bill, another prisoner has mailed his card," he contends. "I can't understand why magazines can't stop this practice."

According to Chavez, some of the magazines that prisoners order and don't pay for are *Newsweek, Sports Illustrated, Car and Driver, The Runner, Vanity Fair,* and *Playboy.*

Circulation executives interviewed by FOLIO, however, strongly disagree with Chavez' contention that this is a serious problem.

For example, Bernard Lacy, vice president of consumer circulation, Ziff-Davis, which publishes *Car and Driver,* says, "It's never been called to my attention that any of our magazines have a lot of bad pays from prison inmates. In our experience, prisoners have about the same pay-up rate as the rest of the population."

32% of ordinary second class publications delivered on time

Publication delivery box score: Ordinary second class and controlled circulation publications April-June 1983

City	Better than USPS service standard	Service standard	1-3 days late	4-6 days late	7-10 days late	Later
Composite average*	**17%**	**15%**	**36%**	**20%**	**9%**	**3%**
Boston (Area 021)	22	8	38	18	10	4
Boston (Area 022)	20	40	40	0	0	0
New York City	6	18	32	24	16	4
Buffalo	38	17	38	7	0	0
Pittsburgh	7	26	48	17	0	2
Philadelphia	6	2	25	41	18	8
Washington, D.C.	23	29	34	11	0	3
Atlanta	27	2	44	20	2	5
Miami	50	23	14	13	0	0
Memphis	11	14	50	7	18	0
Cincinnati	26	30	28	7	7	2
Detroit	6	11	71	9	3	0
Milwaukee	0	12	47	26	12	3
Minneapolis	23	33	37	2	5	0
Chicago	11	16	55	15	3	0
New Orleans	7	31	31	31	0	0
Dallas	36	27	17	13	2	5
Houston	42	14	33	8	3	0
Denver	14	12	33	25	14	2
Salt Lake City	5	11	42	26	16	0
Los Angeles	26	8	35	22	9	0
San Francisco	38	17	22	8	10	5
Seattle	25	16	39	10	8	2

Source: Red Tag News Publications Association, Inc.

*Including other U.S. cities and SCFs not listed

Service improved by 4 percentage points overall for ordinary second class publications in the second quarter of 1983, as compared with the first quarter. For all cities monitored, the combined percentage of publications that were delivered on time (service standard) or sooner (better than service standard) was 32 percent in this year's second quarter, as compared with 28 percent during the first quarter of this year.

However, service during this year's second quarter declined slightly from the same quarter a year ago, when 34 percent of publications were delivered on time or sooner.

Major cities with the best service in the second quarter of 1983 (based on combined percentage of on-time or better delivery) were Miami (73 percent), Dallas (63 percent) and the 022 area of Boston (60 percent). Major cities with the lowest percentage of on-time or better delivery were Philadelphia (8 percent) and Milwaukee (12 percent).

A comparison of the combined on-time or better delivery service in 1983's first two quarters reveals marked improvement in the second quarter compared with the first quarter in several cities: Miami (73 percent versus 32 percent), the 022 area of Boston (60 percent versus 17 percent), the 021 area of Boston (30 percent versus 13 percent), Cincinnati (56 percent versus 39 percent), Detroit (17 percent versus 4 percent) and Dallas (63 percent versus 46 percent). Several cities also showed declines in service between the two quarters, notably Milwaukee (12 percent versus 20 percent) and Salt Lake City (16 percent versus 28 percent).

Comparing the combined on-time or better delivery in the second quarter of 1983 with the second quarter of 1982 reveals improvement in Miami (to 73 percent from 41 percent), Pittsburgh (to 33 percent from 13 percent), and Milwaukee (to 12 percent from 5 percent). Several cities also showed marked declines in on-time or better delivery service between the 1983 and 1982 second quarter, notably Philadelphia (down to 8 percent from 50 percent), Atlanta (to 29 percent from 61 percent) and Seattle (to 41 percent from 76 percent).

Circulation/Single-copy

Wholesalers learn role of specialty stores from computer mags

Chicago—Two years ago, wholesalers wouldn't listen to a publisher that wanted specialty store distribution. Generally, they viewed these outlets as bothersome, not worth the expenditure of time, effort or gasoline. That's changing.

Wholesaler experience with computer magazines in video stores has convinced some reluctant wholesalers that distributing specialized magazines to specialty stores can be cost-efficient.

"It's an entirely new trend in the wholesale business," contends Harvey Wasserman, magazine merchandising director of the Charles Levy Company in Chicago, "and it all began with the success we had with computer magazines in computer, electronics and video stores."

Because of that success, Wasserman is developing a marketing plan that calls for identifying and capturing other specialty retail markets. For example, Wasserman is testing a number of different titles in automotive supply shops, health food stores, and outdoor equipment outlets. "We're finding that, in specialty shops, you don't need a selection of 150 general magazines. What you need is 10 magazines related to products sold in the store. If you can match the right magazine to a specialty store, you'll show good sales."

Another wholesaler, John Cowley Jr., of Cowley Distributing Inc., in Jefferson City, Missouri, also says computer magazines showed him the value of distributing to specialty stores.

According to Cowley, "There were only a few computer titles available to us in the beginning. The magazines were very small, so they bypassed the national distributors and came to us asking for distribution. We tested them in our bookstores and they immediately sold out. Then, I started picking up as many titles as I could."

Although Cowley believed computer magazines were a potential moneymaker "in a stagnant units market," he still did not distribute the magazines to video and computer stores. Why not?

"Because before the computer magazine revolution, which occurred a year-and-a-half ago, most wholesalers thought that unless a retailer carried the big titles, such as *Cosmopolitan* or *Redbook*, then it wasn't profitable to bring in only two or three titles. But with 20 to 40 titles, it becomes profitable to distribute to specialty stores."

The success Cowley has had with computer magazines has led him to believe he can sell other kinds of magazines, not only in specialty stores, but in specialized areas of large department stores.

"Six months ago, we began asking ourselves how we could increase sales of men's magazines such as *Outdoor Life* and *Field and Stream*, magazines that had once been good sellers for us. We began testing different locations, to find out where men shop and we discovered that we could sell men's magazines in different areas of department stores. Sports magazines, for example, sold very well in the automotive department. We figured, if more targeted distribution worked for computer magazines, why not for sports and field magazines?"

Selling specialized magazines is a good way for the wholesaler to increase overall sales, concludes Cowley. "Distributing to specialty stores has opened up a whole new world to wholesalers, but really, we haven't even begun to explore all the possibilities."

When there were only a few computer titles available, distributing to computer stores wasn't efficient; with 20 to 40 titles, it becomes profitable.

55% of magazines report first half single-copy declines

Schaumburg, Ill.—Improvement in the economy did not come fast enough to help single-copy sales for the majority of magazines in the first half of 1983, according to publishers' reports that were released by the Audit Bureau of Circulations (ABC).

Two hundred and two magazines, or 55 percent of the 365 magazines with single-copy sales, reported decreases in average single-copy sales for the six months ending June 30, 1983; 163 reported increases.

Men's entertainment magazine single-copy sales continued to suffer in the first half: *Cheri* (-16.5 percent), *Playboy* (-15.9 percent), *Penthouse* (-14.2 percent), *Genesis* (-9.0 percent). *Hustler*'s statement had not been filed at press time. *Gallery* did gain slightly (1.9 percent).

Women's magazines turned in an uneven performance. Among those

10 leading magazines by single-copy sales (averages for six months ending June 30, 1983)

Magazine	Single-copy sales 1st half 1983	Single-copy sales 1st half 1982	Percent change
1. *TV Guide*	9,311,390	9,580,236	−2.8
2. *Family Circle*	7,193,417	6,980,290	+3.1
3. *Woman's Day*	6,902,580	6,954,740	−0.7
4. *National Enquirer*	4,596,447	4,576,584	+0.4
5. The Conde Nast Package*	3,817,531	4,019,955	−5.0
6. *The Star*	3,664,880	3,657,245	+0.2
7. *Penthouse*	3,254,715	3,795,207	−14.2
8. *Cosmopolitan*	2,773,618	2,650,110	+4.7
9. *Globe*	2,000,658	1,991,759	+0.4
10. *Good Housekeeping*	1,959,478	1,868,116	+4.9

*Comprised of *Vogue, Glamour, Mademoiselle, Bride's* and *Self*

Source: Audit Bureau of Circulations

that lost single-copy sales in the first half were *Working Mother* (-39.2 percent), *Savvy* (-23.8 percent), *Ms.* (-23.0 percent), *Redbook* (-10.9 percent), Macfadden Women's Group (-9.0 percent), *Harper's Bazaar* (-3.3 percent), *Woman's Day* (-0.7 percent), and *Ladies' Home Journal* (-0.1 percent). Those publications reporting gains in single-copy sales were *Glamour* (8.9 percent), *Cosmopolitan* (4.7 percent, along with a 38 percent subscription increase), *Family Circle* (3.1 percent), and *Working Woman* (1.5 percent).

Single-copy performance for the newsweeklies was as follows: *Time* (-11.0 percent), *Newsweek* (-9.2 percent) and *U.S. News & World Report* (1.3 percent).

In the science category, *Science '83* and *Discover* both gained single-copy sales (6.1 percent and 4.7 percent), and *Science Digest* lost ground (-12.0 percent).

City and state magazines reported a mixed performance. Among those with large single-copy sales losses were *Houston* (-37.9 percent), *California Business* (-32.4 percent), *Denver* (-30.9 percent), *Columbus* (-29.9 percent) and *Cleveland* (-21.7 percent). On the other hand, *Houston Business Journal* scored a 132.3 percent gain in single-copy sales. Some other gainers: *Atlanta* (43.3 percent), *Minneapolis/St. Paul* (22.7 percent), *Honolulu* (21.3 percent), *Chicago* (15.6 percent) and *D Magazine* (13.3 percent).

Computer magazines did very well in single-copy sales for the first half, despite the economy. *Personal Computing* led the gainers, posting an increase of 184.8 percent. Increases were reported by *Byte* (68.3 percent), *Computers & Electronics* (20.6 percent), and *80 Micro* (20.1 percent).

And even though business was still bad in the first half of 1983, single-copy sales for business magazines were excellent. Only one of the seven business magazines monitored by ABC showed a loss (*The Economist*, -1.9 percent), while the others turned in gains of various sizes: *Success* (156.1 percent), *Barron's* (30.8 percent), *Inc.* (26.4 percent), *Forbes* (12.6 percent), *Fortune* (6.4 percent) and *Business Week* (2.1 percent).

Other magazines with impressive single-copy gains for the first half of the year include *Horticulture, the Magazine of American Gardening* (232 percent), *Food & Wine, the Guide to Good Taste* (166.2 percent), and *Country Magazine* (140.9 percent).

(It should be remembered that magazines with small single-copy bases may show dramatic fluctuations from only a small change in numbers, and that circulation strategies for certain magazines may include a calculated move away from single-copy sales and toward subscription growth; in some cases, magazines may have lost single-copy sales, but shown growth in total circulation.)

Retailer profits from RDA 'absolutely staggering': Klein

Cleveland—Retailers complain constantly about the frustration of coping with Retail Display Allowances (RDAs), but are making "absolutely staggering profits from them," says George Klein, president of the Council for Periodical Distributors Associations (CPDA) in a recent CPDA newsletter. "There are very few items in a retail store," he continues, "that allow you to increase your gross margin by 50 percent by filling out some forms."

It is important that publishers help convince retailers to think positively about RDAs, contends Klein, who owns Central News Company. "By showing retailers how much additional, guaranteed profit can be made, we may also be able to convince them to expand not only check-out penetration, but also the size of their family reading centers. This would give us the chance to increase sales of our lesser-selling titles."

Consider the turnover on weekly publications, suggests Klein. A magazine such as *TV Guide*, which turns 100 times a year, is a profit bonanza for retailers, even if its profit margin is only 20 percent. "On major monthly magazines that keep their returns below 30 percent, the turn rate may be 10 times to 12 times a year. At a 20 percent discount, these titles are also very lucrative. Add to that an RDA consideration by publishers, about 10 percent, and these same titles become exceptionally profitable."

To support this contention, Central News recently tracked the profit records for RDA programs for five Midwestern chains. "The additional profits each chain collected in 1982 through direct payments from publishers averaged $44,000," Klein reports. "I think a number of retail executives were genuinely surprised at the amount of money generated through RDAs."

Some big chains expand magazine sections to carry 1,000 titles

Greensboro, N.C.—Although magazine publishers have been hearing a lot about chains narrowing their magazine selections and cutting out titles with low turn rates, some large and sophisticated chains are in fact installing larger reading centers.

These new, large reading centers, which may carry 1,000 magazine titles, are being installed in "superstores." For these giant stores, which may contain restaurants, dry cleaners, or flower shops, the chains' strategy is different than for regular-size stores. The chains appear to be more concerned with having a wide variety of titles to build in-store traffic than with the quantity of sales or number of turns per magazine.

The chains installing these reading areas, according to wholesaler George O'Rourke, manager of State News, are Kroeger's, Pantry Pride, Family Mart and Farm Fresh.

"I think the reading department is a big success," says Gus Bublitz, vice president of advertising, Kroeger's. "Primarily, we think of the magazines as a traffic builder. We want our customers to know that if they want to buy a magazine or a book, they can find it in Kroeger's. So we have to carry more titles than we might in one of our regular-size supermarkets. Of course, once the customer leaves the reading area, we hope he'll browse in the other departments, too."

According to O'Rourke, who has just installed reading centers carrying 600 titles in two Family Mart super-

stores, the Family Mart chain seems to have a similar attitude about their magazine department: "They view the reading center as a way to build their store traffic."

"This is a great opportunity for publishers," O'Rourke explains. "Whereas many retailers have been decreasing the number of titles they carry, this new trend seen in supermarket chains gives the wholesaler an opportunity to market those magazines that don't turn as often as *Cosmopolitan* or *TV Guide*. By having so much space to fill—often two aisles, or 20 feet of six-foot-tall fixtures—we can test more magazines."

Can supermarket scanner data improve single-copy sales?

New York City—Although suppliers claim data provided from supermarket scanners can help improve single-copy sales, many circulation experts contend that scanner information isn't as timely or accurate as methods they already use, such as return flow samples and in-store check-ups.

Helene Monat, chief operating officer of TRIM, a Los Angeles-based supplier, says scanner data can help in cover and price tests. "Also," she points out, "with scanner data, magazines can get an understanding of what impact a format change has on their competitors' sales."

"The potential applications of scanner data are endless," claims George Garrick, senior vice president, marketing and client service for Information Resources of Chicago, another supplier. "Using scanner data, you could learn what motivates people to buy a single magazine. This information can also help magazines evaluate the effectiveness of television advertisements, special promotions, cross merchandising, and even in-store placement of magazine racks."

Circulation executives agree that someday scanner data may be useful. However, they cite three major reasons why the information currently generated by suppliers is inadequate: It's inaccurate, too slow, and lacks issue-specificity.

"By far, the biggest proolem with scanner data is that not all retail chains scan magazines, and even the chains that do, scan them sporadically," says Paula Gantz, manager, marketing analysis, Hearst Magazines. Gantz is convinced that the sample from which the suppliers draw is not good, because of the small number of stores that scan. "Hearst tested the use of scanner data for 14 months," she says, "and I didn't find the data for most of our magazines to be accurate—or even close."

Gantz also questions the timeliness of scanner data. Suppliers, she points out, buy data from retailers, so they must wait for the retailer to deliver the information. By then, a magazine could be two weeks off-sale. "And that is too late for me," she says. "I want sales data during the issue's on-sale period, and I know of no supplier who can get you data on a Monday for the week you've just seen."

George Edwards, senior vice president and circulation director of *Family Circle*, adds, "One reason I

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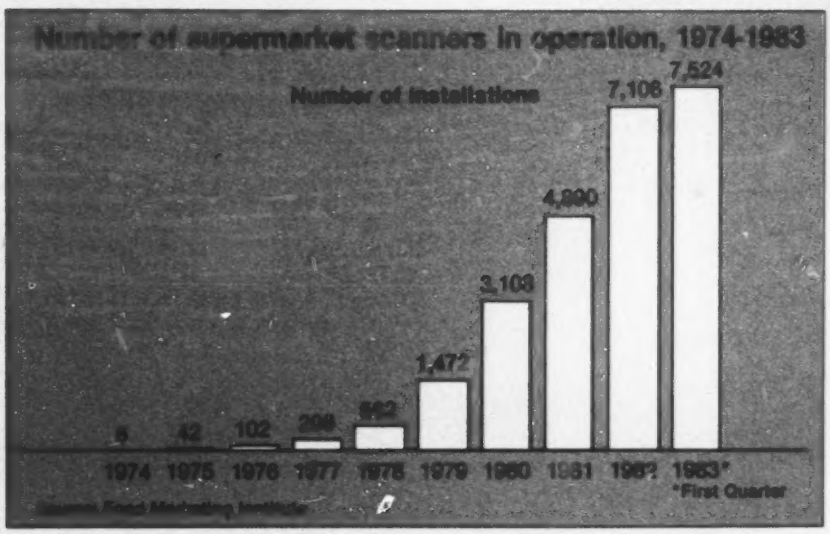

Despite growth in the number of stores with scanning, the sample is not yet sufficient to provide accurate data needed for improving single-copy marketing and merchandising, according to publishers. Currently, only 7,500 supermarkets out of a total of 170,000 have scanning.

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nia Health Review.

If the magazine can gain good will or publicity by giving someone influential a free copy, Sutton says, he will gladly absorb the costs.

"But, if it's someone with whom we are not familiar, then I would charge for back issues," says Sutton.

"I think it would depend on the kind and extent of research we were being asked to perform," says Ronald K. Jurgen, editor of *IEEE Spectrum.*

Charge for back issues

Requests for back issues are common, and some magazines charge readers a nominal fee for them, if only to recover the costs of mailing.

Payment is generally requested up front, say persons in magazine reader service departments. It's easier, they note, to collect the nominal sum of five dollars or less for a back issue before it is mailed out than after. Collecting small amounts is more difficult than collecting large amounts, according to one bookkeeper in the accounting department of a magazine publishing company.

However, at *California Health Review,* there have been no problems in collecting the four-dollar back-issue fee from persons who are billed after an issue is mailed, notes Sutton. "If ours were a general consumer magazine, it might be a different story, but we've never had a problem collecting."

Some charge for copies of articles

Some magazines have made it a policy to charge for copies of articles, with fees ranging from 30 cents per page to $1.50 per page, according to the editors interviewed.

Copies of articles can be provided either in the form of photocopies of the original or of single pages cut from overruns, damaged issues or unbound copies, according to editors and reader service personnel.

Pages from overruns or unbound issues are visually more attractive than photocopies and, in a sense, make charging for these copies more justifiable, according to one magazine's reader service representative.

For instance, at *Industry Week,* about 400 copies are overrun each week to be used by the reader service department, according to editorial service manager Margaret M. Dudzik.

These copies are used to fulfill requests for single articles as well as volume requests that do not justify reprint orders, she explains.

Industry Week charges $1.50 per page for a one-page article, or one dollar per page for two to 25 copies.

As more copies of an article are requested, the cost per page decreases, says Dudzik. For example, for 26 to 50 copies of a four-page article, the cost per page is 77 cents; for 51 to 100 copies, the cost per page is 74 cents; and for 101 to 250 copies, the cost per page is 71 cents.

"Some readers are surprised that there is a charge for this service, but normally, they don't complain," she comments.

Industry Week adds 10 percent to the fee to cover postage and handling. Dudzik notes that she also must be aware of which states require that taxes be included in the bill.

Readers can request that information be expressed either through the postal service or by air carrier, says Dudzik. Charges can be billed to the party requesting the information, or if the party has an account with an air carrier, they can be billed to the account.

High fees may cause problems

Magazines report mixed results when they try to charge more than a very small amount for reader services. Some have had to abandon their reader service operations because readers, once asked to pay for services, became too demanding.

At one time, *Mother Earth News* offered its readers a research service for $10. "The questions, though, would get very involved, and it would take days to answer one question; there was no way $10 would cover the cost. So, we discontinued the service," says Thickett.

Ad Age, which now charges $35 for even a citation of a page and issue, was at one time trying to make a profit on its Cite Service. When the service was launched in 1977, it was profitable, but most requests were from advertising agencies, David reports. Now that those agencies are installing on-line databases, they no longer call on Cite as frequently.

However, profit is not the only reason the service exists. It does field requests that would normally go to editors. And because of the high fee structure, it may in fact deter people from asking unnecessary questions.

Editorial budgets absorb costs

Except in the instances where a magazine has established a reader service operation—and even sometimes in these cases—costs for providing reader services are generally accounted for in editorial budgets.

Reader service costs are very often hidden, although not intentionally. Reader services are generally not a line item in editorial budgets.

A majority of the editors FOLIO interviewed could only "guesstimate" the number of requests they receive from readers. They pointed out that, very often, everyone from the circulation director to the publisher's secretary fields reader requests, and that it is practically impossible to provide an accurate estimate of their number.

However, many editors did say that if the number of requests from readers were to escalate dramatically, they would most likely reconsider their policies.

"Everything is probably fine until someone on the magazine finds out that reader services are costing a fortune," hypothesizes Sutton of *California Health Review.*

"You probably don't think about reader services until you examine the costs," he continues. "But, if all the people on the staff were to keep track of the number and type of requests, and were to keep a log of how much time the requests took and how many copies were made at the copying machine—then, at some point, someone on the magazine might decide it was time to change the policy."

Scanner data

(Continued from page 43)

don't use scanner data is that all a supplier can sell me now is information saying how many copies of my magazine were sold in a given time period. But from the standpoint of utilizing the information, unless it specifies issue date so I can identify how many copies of a given issue were sold, what good is the information?"

Both Gantz and Edwards, however, believe the potential for scanner data application is limitless, once the problems of accuracy, timeliness, and issue date are ironed out.

"Statistically and mathematically," says Gantz, "we can probably get around the issue-date problem. But it may take five to 10 years to increase the accuracy of the data. This can only happen as more retailers begin to scan. Then, the suppliers will become more sophisticated, and their samples will get better."

According to the Food Marketing Institute (FMI), a supermarket information service, approximately 7,500 supermarkets are currently scanning. With stores converting to scanners at the rate of 140 to 150 a month, FMI estimates there will be 11,280 units with scanners by 1985. But that is still a small percentage of the estimated 170,000 supermarkets in operation today.

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